



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION IX  
75 Hawthorne Street  
San Francisco, CA 94105

January 29, 2014

Michael J. Farley  
General Counsel  
Jervis B. Webb Company  
34375 W. Twelve Mile Road  
Farmington Hills, MI 48331

RE: Jervis B. Webb Superfund Site, South Gate, California

Dear Mr. Farley:

The United States Environmental Protection Agency ("EPA") intends to issue a General Notice Letter to the Jervis B. Webb Company ("JBW") pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601 et seq. ("CERCLA") in connection with the referenced Superfund site. The General Notice Letter will inform JBW that EPA considers JBW to be a Potentially Responsible Party ("PRP") at the site and will initiate the process under CERCLA whereby JBW may be issued Special Notice and required to commit to perform remedial action at the site or be subject to enforcement action by EPA.

EPA has carefully reviewed the documentary record assembled from JBW responses to EPA's requests for information and documents and other sources. EPA's review of the record has led it to conclude that JBW explicitly assumed the CERCLA liabilities of its wholly owned subsidiary Jervis B. Webb Company of California ("JBW-CA") in connection with the dissolution of JBW-CA in December, 2003. The documentation of the corporate dissolution is contained in the documents provided by JBW in its initial response to EPA's information request under section 104(e) of CERCLA and Bate-stamped WCAL 01729-01745.

The explicit assumption of the liabilities of JBW-CA is contained in the "Plan of Complete Liquidation of Jervis B. Webb Company of California" (WCAL 01731-01732):

"CONTINGENT LIABILITY. By adoption of the Plan, the sole shareholder acknowledges that as transferee of the assets of the Corporation, upon receipt of one or more distributions in complete liquidation of the Corporation, he may be held liable to the extent of liquidating distributions received, for the payment of any unsatisfied debts or liabilities, fixed or contingent, of the Corporation. WCAL-01732, paragraph 6

The record clearly indicates that JBW-CA, at the time of its dissolution, had unsatisfied liabilities under CERCLA as the decades-long owner/operator of the site. The language quoted above clearly transfers those unsatisfied liabilities to JBW, the sole shareholder of JBW-CA, and renders JBW potentially liable for remedial action at the site.

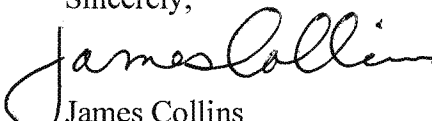
The record indicates that JBW-CA ceased doing business in early 1996 (see, e.g., your letter of March 28, 2013 to EPA ["March 2013 Letter"]), that the liquidation (sale of JBW-CA assets and transfer of the sale proceeds to JBW) began almost immediately thereafter, and that this liquidation included, at a minimum, the real property at 9301 Rayo Avenue, South Gate (see JBW-013319), the office property on Seville, South Gate (see JBW-013323), the real property at 5030 Firestone, South Gate (see JBW-14133), fixtures and equipment from the prior manufacturing operations at the site (see JBW-15825-15838) and an apparent seven figure cash transfer from JBW-CA to JBW during the final windup of JBW-CA's affairs (see JBW-14319).

As transferee of the assets listed above after JBW-CA had ceased doing business, JBW has also incurred liability to the United States on several other bases in addition to explicit assumption of liability, notwithstanding the disclaimers in your March 2013 Letter.

In light of the extensive communications between EPA and JBW over the last several years and the general cooperativeness of JBW with the CERCLA process, EPA is hereby offering to confer with JBW in advance of issuance of General Notice in order to consider any defenses JBW might allege to its status as a PRP as set out in this letter. Counsel for EPA and the U.S. Department of Justice are willing to meet with you and/or JBW's outside legal representative by conference call at your request. This offer to confer will be open for 21 days from date of this letter.

Please contact the undersigned if JBW intends to accept the invitation to confer. Thank you for your attention to this matter.

Sincerely,

  
James Collins  
Assistant Regional Counsel

cc: Lori Jonas, USDOJ